

***United States Court of Appeals
for the
District of Columbia Circuit***



**TRANSCRIPT OF
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In the Court of Appeals of the District
of Columbia.

JANUARY TERM, 1916.

No. **312**

No. 2924. SPECIAL CALENDAR.

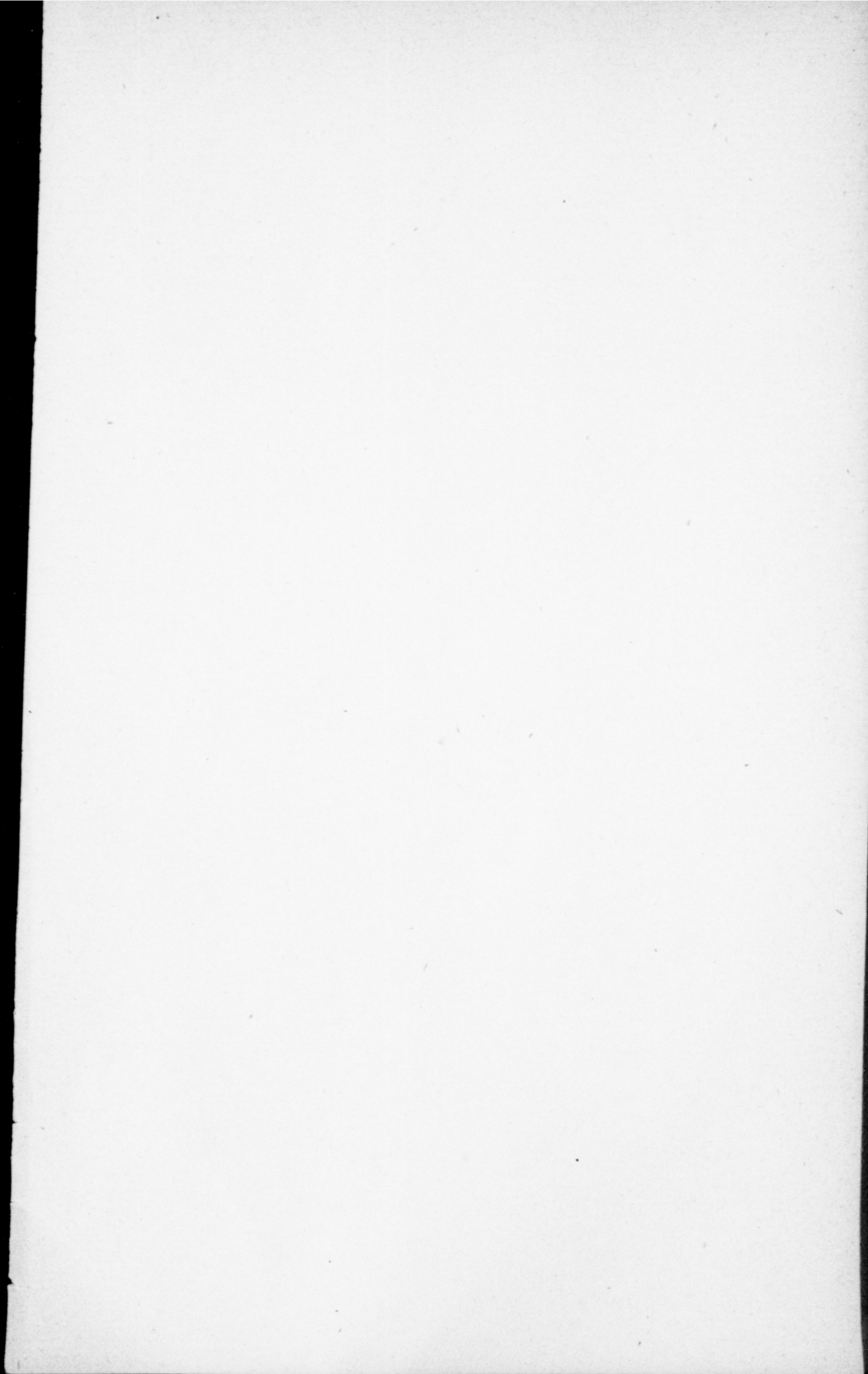
THOMAS EWING, COMMISSIONER OF PATENTS,
Appellant,

vs.

UNITED STATES ex rel. THE FOWLER CAR COMPANY,
Appellee.

BRIEF FOR APPELLANT.

ROBERT F. WHITEHEAD, *Counsel.*



**In the Court of Appeals of the District
of Columbia.**

JANUARY TERM, 1916.

No. 5 Special Calendar

April Term 1916

THOMAS EWING, COMMISSIONER
of Patents, Appellant,

v.

UNITED STATES EX REL. THE
Fowler Car Company, Ap-
pellee.

} No. 2924. Special
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BRIEF FOR APPELLANT.

May it please the court:

This is an appeal from the judgment of the Supreme Court of the District of Columbia directing the issuance of a writ of mandamus commanding the Commissioner of Patents to declare an interference between the application of one William E. Fowler, sr., and a certain application referred to in the petition for the writ as the application of the unknown applicant, and commanding the Commissioner of Patents not to issue a patent to said unknown applicant until opportunity is given the petitioner to be heard in an interference proceedings on the question of priority of invention as between said William E. Fowler and the said unknown applicant.

STATEMENT OF THE CASE.

On November 18, 1915, the commissioner wrote a letter to the attorney for the appellee, referring to the application of William E. Fowler, No. 29,794, and stating that there was another application pending before the Patent Office containing substantially the same invention as that defined in certain claims, which are numbered 1, 2, 3, 4, 5, and 7, and asking the attorney to obtain from the applicant a statement when he conceived the invention defined in these claims, when he disclosed it to others, and when he reduced it to practice, and it was stated that this request was made in order "to determine whether it is necessary to declare an interference." On November 26, 1915, a letter was received by the Commissioner of Patents from the attorney, including a statement by the applicant Fowler of the date on which he conceived the subject-matter of the claims above referred to and on which he disclosed it to others and made drawings thereof. On the same day an amendment signed by the attorney was filed in the application of Fowler, directing the insertion of the claims mentioned in the letter of the Commissioner of Patents of November 18, 1915, and stating that these claims were inserted with the request that if they appeared in a co-pending application an interference be declared. On December 10, 1915, the Commissioner of Patents wrote a letter to the attorney, stating that the dates of invention claimed by the applicant Fowler are subsequent by

several months to the filing date of the application of the other party, that an interference will not be declared, and that the other party's application will be passed to issue.

Respondent's return to the order to show cause alleges that the date of conception stated by the applicant Fowler is several months subsequent to the date upon which the other application was filed.

POSITION OF THE OFFICE.

It is the contention of the appellee and the holding of the court below that the Commissioner of Patents must declare an interference whenever he finds that two applicants are claiming substantially the same patentable invention; in other words, that the only question which the commissioner can investigate, preliminarily to declaring an interference, is the conflict of subject matter. It was also contended and the court held that if the commissioner had no authority to make the inquiry the fact that appellant answered and that the answer shows that no question of priority exists is immaterial. On the other hand, it is the position of the office that under the statute the commissioner may properly make an inquiry of the later applicant to ascertain the date when he claims to have conceived the invention, and if that date be subsequent to the date when the earlier application was filed, that it is the duty of the commissioner to pass the earlier application to issue without declaring an interference.

CONSTRUCTION OF SECTION 4904, R. S.

Section 4904 of the Revised Statutes reads as follows:

Whenever an application is made for a patent which, in the opinion of the commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to proceed to determine the question of priority of invention. And the commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the primary examiner, or of the board of examiners-in-chief, as the case may be, within such time, not less than twenty days, as the commissioner shall prescribe.

It is submitted that the statute should be construed with specific reference to the business which it is intended to regulate.

BUSINESS OF THE OFFICE.

There are filed in the Patent Office approximately 67,000 applications a year and a large number of them are found to contain conflicting claims. It is of the highest public interest that the prosecution of all applications be brought to a speedy conclusion so that patents may be issued on those which are found to be allowable. It has been ascertained that only in a small percentage of cases does a later applicant succeed in establishing that he is the first inventor where he filed his application more than a year after

the filing of the application of the earlier applicant. It was found that in the years 1911, 1912, and 1913 the office ran behind at the rate of approximately 4,000 applications a year and that this steady falling behind had resulted in the accumulation of over 140,000 applications which were either awaiting action by the office or amendment by the applicant.

Among all the classes of the work which the office is called upon to do nothing so readily develops complex situations as that which is concerned with the rights of rival inventors. The difficulty of disposing of interference proceedings has been so great and the cost and delay to applicants has been so serious as to cause grave injury and well-founded complaint.

One of the direct and serious results of inefficient handling of interferences has been the detention of applications in the office for many years. It frequently happens that after an application has gone through an interference it immediately enters upon another. This may continue until the value of the invention has been lost or until the applicant rightfully entitled to a patent, if he is not a man of means, is worn out and defeated.

There are pending in the office at the present time more than 3,000 applications which have been there not less than five years, and 200 applications which have been there not less than ten years. If the filing of an application to-day containing and claiming subject matter conflicting with one of these many applications necessitates the declaration of an interference to try out the supposed question of priority

no limit can be set to the delay which may occur before a case will be free to be passed to issue.

A strict application of section 4904, as construed by the court below, would make it well-nigh impossible to get through the office a fundamental application upon an invention which had gone into general use and become the basis of widespread further invention. Meanwhile, anyone could appropriate it and when the patent was granted there could be no recovery of damages.

The only possible way of meeting the condition which exists in the office is to treat the work as Mr. Justice Hughes indicates in his recent address before the New York Bar Association where, speaking of the various commissions which have been appointed and the administrative problems with which they must deal, he said:

Complaints must be heard, expert investigations conducted, complex situations deliberately and impartially analyzed, and legislative rules intelligently adapted to a myriad of instances falling within a general class. It was not difficult to frame legislation establishing a general standard, but to translate an accepted principle into regulations wisely adapted to particular cases required an experienced body sitting continuously, and removed so far as possible from the blandishments and intrigues of politics. This administrative type is not essentially new in itself, but the extension of its use in State and nation constitutes a new departure.

The ideal which has been presented in justification of these new agencies, and that which alone holds promise of benefit rather than of hurt to the community, is the ideal of special knowledge, flexibility, disinterestedness and sound judgment, applying broad legislative principles that are essential to the protection of the community, and of every useful activity affected, to the intricate situations created by expanding enterprise.

PRACTICE ATTACKED.

The practice of the office established toward the end of 1914, and since followed, of making preliminary inquiry of junior parties of dates of conception before declaring interferences, which is here under attack, is only a part, though an essential part, of a general effort to expedite the prosecution of applications.

This policy is also a part of an organized scheme provided to enable the commissioner to perform the duty imposed upon him by the section of the statute under discussion (section 4904) of forming an "opinion" as to the existence of interfering applications before an interference is declared. Heretofore, each one of the 43 primary examiners decided for himself all questions of the initiation of interferences. Now, one law examiner reviews all of the proposed interferences with the examiner who has charge of the applications involved and in case of doubt submits the question to the commissioner for decision. In carrying out this plan the commissioner has conceived it to be his duty under this section of the statute further

to ascertain by inquiry, if possible, whether or not any question of seniority of invention can be raised; and it is the contention of the complainant that in this respect he is exceeding his authority.

STATUTE DOES NOT GIVE RIGHT OF OPPOSITION.

Applicants are presumed to have made their inventions in the order in which the applications are filed, but this presumption is rebuttable and the object of section 4904 is to direct how questions of priority of invention may be tried. It is submitted that this section should not be construed as conferring upon the applicant a right which is not enjoyed by the general public of opposing the grant of a patent to a rival applicant, but should be construed as providing means for determining whether a patent will be granted to a later applicant, notwithstanding an earlier rival application for the same invention.

It will be assumed that a junior applicant who is unable to allege a date of conception earlier than the filing date of the senior applicant is an independent inventor. Even though he has evolved a new thing independently and has put it to practical use, that, under the patent law, is not a defense against a suit brought upon a patent granted to the first inventor. If the later independent inventor does not file an application for patent he has no right to oppose the grant of a patent to the earlier inventor. It is illogical to hold that he can acquire a right of opposition by the mere fact that he has filed an application. The patent statute nowhere grants in terms to any

one other than the tribunals of the Patent Office a right to oppose the grant of a patent. If a system of opposition is to obtain, it should be general in its applicability. To enforce a construction of any section of the patent statutes which will result in development of oppositions dependent upon the chance filing of an application is to modify the practice in a manner not in harmony with the general scheme of *ex parte* grants made by the Government after an official examination.

SERIOUSNESS OF INJURY TO SENIOR PARTIES.

Against this alleged right of opposition must be weighed the right of an applicant to obtain his patent when he asks for it.

An applicant without considerable means may be prevented by a succession of interferences with parties junior to him from obtaining his patent for five, ten, or fifteen years. It may mean financial ruin. Consider, for example, inventions in the field of toys and puzzles, ornamental designs, or patterns in dress goods, or other articles of mere fashion which are usually short lived. Or, to cite a large engineering development, take the propulsion of street cars by cable, which came into vogue in the last century during the late seventies, flourished during the eighties, and became obsolete during the early nineties. Aside from these special cases there are many inventors in every field of endeavor who must obtain their patents promptly or lose all reward of their industry and talent.

Newspaper reports stated that \$250,000 was paid for a certain invention. There are now 100 applications in this office claiming the invention. These applicants can render it impossible for the purchaser of the senior application ever to obtain a patent by proceedings which are purely opposition proceedings.

The injustice to the senior party arising out of delay in the granting of his patent can not be too strongly pressed. Oppositions growing out of interference proceedings have been made in the past in many cases instruments of oppression by strong manufacturing concerns engaged in infringing. While the application is still in the office, no right of action and no ultimate right of recovery is acquired. Whatever manufacturing is done and profits made by rival manufacturers while the application is delayed in the office is absolutely lost to the inventor, even though he ultimately obtains a satisfactory patent and is successful in suits upon it. It is not a compensation that his patent extends for seventeen years from the date of grant; for seventeen years is more than the life of many inventions and may extend beyond the life of the patentee. Besides, the infringer may skim the cream and get out of business before the patent is granted. This is of frequent occurrence. It is the interest of the inventor which the office, in the practice now attacked, is seeking to protect, not as against an assignee, but against a rival and junior inventor or an infringer.

INQUIRY SHOULD BE MADE.

Under section 4904 of the Revised Statutes the commissioner is to direct the primary examiner (now the examiner of interferences) to determine the question of priority of invention, but if the later applicant does not claim a date of invention prior to the date upon which the earlier application was filed there is no question of priority to be determined and therefore no ground for instituting the interference. This is the construction which has always been placed upon the statute with reference to applications filed after the grant of a patent and containing claims copied from the patent. There is no difference in the language of the statute with reference to applications interfering with other applications and with applications interfering with unexpired patents, but it has always been the practice to refuse to declare an interference between a patent and an application filed after the grant of the patent unless the applicant filed an affidavit alleging that he made the invention prior to the date of the filing of the application upon which the patent was granted. It is obvious that this practice was established for the reason that it was regarded that there was no question of priority to be determined where the later applicant did not allege a conception of the invention prior to the filing of the patentee's application.

It is true that commissioners have not in time past made as elaborate investigations before establishing interferences as are being made at present, but the

seriousness of the consequences of interferences, both to the parties and the general public, demands that more attention be given to their inception. There is no more reason for establishing an interference lightly than there is for so establishing a public-use proceeding. Yet, according to a long-established practice, the question whether a public-use proceeding should be established is investigated with care by the commissioner.

The inquiry which is made of the later applicant must, in order to serve the purpose, be purely a preliminary investigation and must not result in a judgment. For, if it is to result in a judgment the prior application must be disclosed to the junior applicant and thereafter all the delay and difficulty incident to disposition of interferences follows of necessity. Nothing should be done to commit the junior applicant in any way. It is sufficient that the commissioner has come to the conclusion that no question of priority exists for determination and grants a patent to the senior applicant, leaving the junior applicant free to establish his rights by *ex parte* attack on the patent or by interference therewith in the few and exceptional cases where this would be necessary.

Had appellee refused to give his date of conception in response to the inquiry certain material questions might have arisen. These questions can be tried out if they arise. In the case at bar they are irrelevant, and in any event they are of secondary importance. The fundamental question is, whether

under the statute a preliminary investigation as to seniority may be made by the commissioner which will result in the grant of a patent to the senior applicant without judgment against the junior applicant and without disclosure of the application of the senior applicant to the junior applicant. If this can be accomplished, all that is necessary can be done. If this can not be accomplished under the statute, then, in effect, the right of opposition must be recognized as conferred by section 4904 on a junior applicant merely because he is an applicant in spite of the fact that presumably he has no right to the patent and that the senior applicant presumably has a right to the patent.

MATTERS FOR COMMISSIONER TO DECIDE.

The junior party to an interference can raise only two classes of questions:

First. Questions as to the relative dates when inventions were made, and

Second. Questions which attack the application of the senior party as a valid constructive reduction to practice of the subject matter in controversy.

In the present case there is no question of overlapping dates, since it is admitted by the motion for judgment that the applicant Fowler conceived the invention after the other application was filed.

As to the second class of questions, if any there be, in the last analysis they all mean that no interference ever should be declared. These questions are properly *ex parte* questions and it is not the

general scheme of the patent statutes nor the present practice to try out questions of this second class by means of interferences. If an interference is established when such a question can be successfully raised it means that it was a mistake to declare it.

This court, it is true, has held that where such a mistake has been made on the part of the office, the decision of the commissioner is reviewable on appeal, but these decisions do not alter the fact that in such cases the interference never should have been started. The statute directs that the commissioner shall direct the examiner to determine the question of priority. In the present case no question of priority can arise in the sense of overlapping dates. So far as the question of insufficiency of disclosure is concerned, it is the opinion of the commissioner, deliberately formed, that no such question can arise in the present case. Therefore the condition required by the statute is not present and the commissioner is without authority, under the admitted facts of the case, to establish an interference.

It was virtually stated at the hearing below that the interference was sought, not in order that the party Fowler might be shown to be the first inventor, but in order that the petitioner might have an opportunity to oppose the grant of a patent to the unknown applicant; in other words, it was sought to have the interference declared in order that it might be shown to the office that the interference ought not to be declared. It is submitted that the statute does not authorize the declaration of an interference for

any such purpose and that the commissioner properly refused to declare the interference.

Relator's argument below, in discussing the meaning of "priority," confuses two classes of cases, viz: (a) Interferences where questions of priority are or may be involved, and (b) interferences which ought never to have been established. It is the object of the policy under attack to segregate these two classes of cases. Those of the first class are tried out in accordance with the statute; those of the second class are so treated as to prevent the change of interference proceedings into opposition proceedings which are not contemplated by the statute, either in section 4904 or elsewhere.

RULES OF PRACTICE.

Appellee also contended that the practice which is followed in this case is contrary to the rules covering interferences (rules 93 to 132). These rules, however, reflect merely the provision of section 4904. Rule 93 defines an interference as "a proceeding instituted for the purpose of determining the question of priority of invention between two or more parties claiming substantially the same patentable invention." This definition indicates that where, as in the present case, an applicant admits the date upon which he conceived the invention is subsequent to the filing date of another party an interference should not be instituted.

The other rules referred to define the procedure to be followed where it is not known whether the later applicant conceived the invention subsequently to the

filing of the earlier application, and they should not be construed, it is submitted, as precluding the commissioner from ascertaining whether the later applicant did in fact conceive his invention after the earlier application was filed, or as requiring the declaration of an interference where this is ascertained to be the fact.

DISCRETION OF COMMISSIONER.

It is well settled that mandamus will not lie to control the discretionary action of the Commissioner of Patents (*Butterworth v. Hoe*, 112 U. S., 50; *U. S., ex rel. Riverside Oil Company, v. Hitchcock*, 190 U. S., 316).

In the case of *United States, ex rel. Trussed Concrete Steel Company, v. Ewing*, 203 O. G., 931, 42 App. D. C., 179, in which this court affirmed a decision of the lower court refusing to issue a writ of mandamus directing the Commissioner of Patents to declare an interference between a patent owned by the relator and the application of one Clark, this court, after quoting section 4904 of the Revised Statutes, said:

The determination of the existence of an interference is confided by statute to the judgment and discretion of the Commissioner of Patents; and, whether in the exercise of that judgment in the present case he was right or wrong, the conclusion was a possible one, and is not subject to review by mandamus. (*United States ex rel. Ness v. Fisher*, 223 U. S., 683.)

NO INJURY SHOWN.

It is also well settled that a writ of mandamus will be granted only to direct the performance of some act or duty which the law requires to be performed and in which the application for the writ has a substantial legal interest. A mere commercial interest will not justify the issuance of the writ. (*Seymour, Commissioner of Patents, v. United States ex rel. Brodie*, 79 O. G., 509; 10 App. D. C., 567, and cases therein cited; *United States ex rel. Alsop Process Co. v. Wilson*, 33 App. D. C., 472.) In the former case a patentee who had been involved in an interference and to whom priority had been awarded by the examiners-in-chief sought to have the action of the Commissioner of Patents dissolving the interference on the ground that the issue was not patentable vacated and the commissioner directed to reinstate the interference and proceed to determine the question of priority on the appeal from the decision of the examiners-in-chief. The mandamus was granted by the Supreme Court of the District of Columbia, but on appeal the decision was reversed on the sole ground that the petitioner had shown no legal injury. This court in this connection said:

* * * We find it impossible to see wherein he [the relator] has been aggrieved or injured in any legal sense.

It is very true that he was put to trouble and expense in defending himself in the interference proceedings, and this may have been a hardship; but that is a very general

incident of legal proceedings, and it is not apparent that it constitutes a ground for the issue of the writ of mandamus.

In the present case the only injury alleged by the petitioner is that if, after the issuance of the patent to the unknown party, an interference should be established between that patent and Fowler's application and Fowler should be declared to be entitled to an award of priority and a patent issued on his application, a suit under section 4918 of the Revised Statutes would be necessary in order to dispose of the menace of the outstanding patent.

The applicant Fowler, however, has alleged a date of invention which is subsequent to the date upon which the other application was filed. There would, therefore, be no basis for a holding that he was the first inventor, and he is accordingly in no different position from any other inventor who thinks that he would be liable to a suit for infringement if a patent were granted upon the application of another. But liability to suit for infringement has been held not to constitute such a legal interest in the matter as would justify the issuance of a writ of mandamus directing the Commissioner of Patents to allow the petitioner for the writ to oppose the grant of a patent (*United States ex rel. National Phonograph Company, v. Allen*, 101 O. G., 1133). In that case, in which it was alleged that if a patent issued on a certain application the relator would be liable to suit for infringement, the Supreme Court of the District of Columbia

refused to grant a writ of mandamus directing the Commissioner of Patents to reinstate a proceeding to determine whether the bar of public use existed to the grant of a patent, on the ground that the relator had not shown a legal interest in the matter. Chief Justice Bingham, after citing the case of *Seymour v. Brodie, supra*, said:

That, I think, covers this case almost precisely, so far as the right of the relator is concerned to maintain this proceeding. The interest of the relator, such as it is, is commercial. It is not a legal interest. If the proceeding is not allowed, and if the patent should be issued, the only way in which he could be disturbed would be by a suit for infringement upon the patent; and that he has expressly, by act of Congress, the right to defend, and to interpose the matter which he now sets up as the reason for the issuing of the writ of mandamus. He would have the right to set that up as a complete defense to any action which the patentee might bring for infringement of that patent.

CONCLUSION.

It is submitted that the action taken in this case is not in conflict with the statute and rules of practice of the Patent Office, that the declaration of an interference is a matter submitted by statute to the discretion of the commissioner, and that the petitioner has not shown such a legal injury as would warrant the issu-

ance of the writ, and that the decision of the Supreme Court of the District of Columbia should therefore be reversed.

R. F. WHITEHEAD,

Counsel for Commissioner of Patents.

FEBRUARY 5, 1916.

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